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eFiling CASE Document Cover Sheet**

230730063

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VIA ELECTRONIC DELIVERY

July 11, 2023

Mr. Bernard J. Logan, Clerk
c/o Document Control Center
State Corporation Commission
Tyler Building – First Floor
1300 East Main Street
Richmond, Virginia 23219

**Application of Virginia Electric and Power Company for Approval of a Proposed
Update to the Rates, Terms, and Conditions of a Universal Service Fee to be Paid by
Retail Customers to Fund the PIPP, and for Expedited Consideration
Case No. PUR-2023-00105**

Dear Mr. Logan:

Please find enclosed for electronic filing Virginia Electric and Power Company's proposed 2023 update to the rates, terms, and conditions for the universal service fee to fund the Percentage of Income Payment Program as well as the Company's request for expedited consideration in the above-referenced case.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Paul E. Pfeffer

Paul E. Pfeffer
Deputy General Counsel

Attachment

cc: Service List
Lisa R. Crabtree, Esq.
Teirra M. Everette, Esq.

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2023-00105

For approval of a proposed update to the rates,
terms, and conditions of a universal service fee to be
paid by retail customers to fund the PIPP,
and for expedited consideration

**VIRGINIA ELECTRIC AND POWER COMPANY'S
PROPOSED UPDATE TO THE RATES, TERMS, AND
CONDITIONS FOR THE UNIVERSAL SERVICE FEE
TO FUND THE PERCENTAGE OF INCOME
PAYMENT PROGRAM**

JULY 11, 2023

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Executive Summary

Virginia Electric and Power Company (“Dominion Energy Virginia” or the “Company”) files this Application to request approval of an updated Universal Service Fee (“USF”) to fund the Percentage of Income Payment Program (“PIPP”) of \$0.000761 per kilowatt-hour (“kWh”) effective November 1, 2023. To support this effective date, the Company respectfully requests the State Corporation Commission of Virginia (“Commission”) give expedited consideration to this request and issue a final order in this matter by October 15, 2023.

The PIPP was established as part of the Virginia Clean Economy Act (“VCEA”), originally passed in 2020, as a mechanism designed to limit the electric utility payments of persons or households participating in certain, specified public assistance programs,¹ based upon a percentage of their income, for customers of Dominion Energy Virginia and Appalachian Power Company (“APCo”). The General Assembly further addressed the PIPP, its funding, and implementation, as part of the 2021 legislative session with the passage of Chapter 308 of the 2021 Virginia Acts of Assembly.

The Commission issued its final order on July 29, 2021 (“July 2021 Order”), in the initial PIPP proceeding directing, among other things, that Dominion Energy Virginia begin collecting the PIPP fee from statutorily designated customers to fund the estimated start-up costs the Department of Social Services (“DSS”) needed to establish the PIPP, calculate a PIPP fee on a per kWh basis to recover \$2.4 million on an annual basis, file tariffs reflecting such fee with the Commission, begin making payments to the state treasury to enable DSS to undertake the actions necessary to establish the PIPP, and defer its PIPP administrative costs and seek their recovery at a later date.

Additionally, the July 2021 Order requires the Company to file certain reporting and filing requirements, within 60 days after the DSS rules or guidelines are promulgated. The DSS rules or guidelines were promulgated on June 26, 2023, and are available at the following web address: https://www.dss.virginia.gov/files/division/bp/ea/intro_page/manual/PIPP_Guidelines.pdf.

The Company and DSS are working towards a launch of the PIPP application process in November 2023, with the program being active and payments beginning December 1, 2023. Thus, the Company is making this filing (“2023 PIPP Filing Update”) requesting to implement the proposed update to the USF prior to the program start date.

The Company looks forward to continuing its collaboration with the Department of Housing and Community Development (“DHCD”) and the DSS (collectively, the “Agencies”) through the administration of the PIPP. Dominion Energy Virginia remains ready to assist the Agencies in any manner necessary or requested in the administration of the PIPP.

¹ Subsequent legislation updated eligibility to be based on income thresholds relative to the federal poverty level.

I. Introduction

The VCEA — Chapter 1193, Acts of Assembly — became effective July 1, 2020.

The VCEA establishes, *inter-alia*, a PIPP for the Commonwealth, designed to limit the electric utility payments of persons or households participating in certain, specified public assistance programs to a specified percentage of their income. Eligible participants in the PIPP are customers of Dominion Energy Virginia and APCo.

Section 56-576 of the Code of Virginia (“Code” or “Va. Code”) defines a PIPP-eligible utility customer as, “*any person or household whose income does not exceed 150 percent of the federal poverty level.*”

Va. Code § 56-585.6 A directs,

A. The Commission shall, after notice and opportunity for hearing, initiate a proceeding to establish the rates, terms, and conditions of a non-bypassable universal service fee to fund the Percentage of Income Payment Program (PIPP). Such universal service fee shall be allocated to retail electric customers of a Phase I and Phase II Utility on the basis of the amount of kilowatt-hours used and be established at such level to adequately address the PIPP's objectives to (i) reduce the energy burden of eligible participants by limiting electric bill payments directly to no more than six percent of the eligible participant's annual household income if the household's heating source is anything other than electricity, and to no more than 10 percent of an eligible participant's annual household income on electricity costs if the household's primary heating source is electricity; (ii) reduce the amount of electricity used by the eligible participant's household through participation in weatherization or energy efficiency programs and energy conservation education programs; and (iii) reduce the amount of energy, regardless of primary heating source, used by the eligible participant's household through participation in weatherization or energy efficiency programs and energy conservation education programs. The annual total cost of any programs implemented pursuant to clauses (i), (ii), and (iii) shall not exceed costs, including administrative costs, in the aggregate of . . . \$100 million for any Phase II Utility in any rate year in which such program costs are incurred.

Code § 56-585.6 B further directs,

B. The Commission shall determine the reasonable administrative costs for the investor-owned utility to collect the universal service fee and remit such funds to the Percentage of Income Payment Fund established in subsection E, and any other administrative costs the investor-owned utility may incur in complying with the PIPP, and shall determine the proper recovery mechanism for such costs. A Phase I and Phase II Utility shall not be eligible to earn a rate of return on any equity or costs incurred to comply with the program requirements or implementation. The Commission shall initiate proceedings to provide for an annual true-up of the

universal service fee within 60 days of the commencement of the PIPP and on an annual or semiannual basis thereafter. As part of any annual true-up case, each Phase I and Phase II Utility shall report to the Commission any data or forecasting required by the Commission regarding the participation by PIPP participants in utility energy reduction programs.

Va. Code § 56-585.6 D emphasizes, in part,

D. In carrying out the PIPP's objective of electricity usage reductions, PIPP-eligible customers may, to the extent reasonably possible, utilize existing energy efficiency or related programs approved by the Commission for a Phase I and Phase II Utility and existing and available federal, state, local, or nonprofit programs.

On December 23, 2020, the Commission issued an Order in Case No. PUR-2020-00109 ("December 2020 Order"), establishing, among other things, a USF to be charged by Dominion Energy Virginia in the amount of \$0.001125 per kWh, intended to recover approximately \$93 million annually. In so doing, the Commission approved the Service Fee "with no effective date at this time."² It also ordered that, "[u]pon enactment of legislation setting forth further details on the PIPP and subsequent direction by this Commission, Dominion shall file for review and revision (if necessary) of the PIPP fee, prior to collection of the fee from customers."³

The General Assembly further addressed the PIPP, its funding, and implementation as part of the 2021 legislative session with the passage of Chapter 308 of the 2021 Virginia Acts of Assembly, which became effective on July 1, 2021. Among other things, Chapter 308: (1) establishes the PIPP Fund on the books of the Comptroller;⁴ (2) permits the Commission to promulgate any rules necessary to ensure funds collected from the Company's universal service fees are directed to the PIPP Fund and that the utilities receive adequate compensation from the PIPP Fund for all reasonable PIPP costs, including bill credits for PIPP-eligible customers;⁵ and (3) requires the Commission to issue an order following the July 1, 2021, effective date to begin the collection of the universal service fee from customers.⁶

On April 21, 2021, the Commission issued an Order on Additional Proceedings in Case No. PUR-2020-00109, which reopened and remanded this case to a Hearing Examiner for further proceedings concerning the PIPP and the universal service fee associated therewith.

The Commission issued its latest order in Case No. PUR-2020-00109 on July 29, 2021 ("July 2021 Order"),⁷ directing, among other things, that Dominion Energy Virginia begin collecting the USF from statutorily designated customers to fund the estimated start-up costs the DSS needs to establish the PIPP, calculate a USF on a per kWh basis to recover \$2.4 million (system) on an

² December 2020 Order at Ordering Paragraph (1).

³ December 2020 Order at Ordering Paragraph (12).

⁴ See Va. Code § 56-585.6 E.

⁵ See Va. Code § 56-585.6 C.

⁶ See 2021 Va. Acts Chapter 308, Enactment Clause 2.

⁷ July 29, 2021 Order at 6-10 (hereinafter, "July 2021 Order").

annual basis, file tariffs reflecting such fee with the Commission,⁸ begin making payments to the state treasury to enable DSS to undertake the actions necessary to establish the PIPP, and defer its PIPP administrative costs and seek their recovery at a later date.

Additionally, the July 2021 Order requires the Company to submit certain reporting/filing requirements, within 60 days after the DSS rules or guidelines are promulgated. Specifically, Ordering Paragraphs (6) and (7) of the July 2021 Order⁹ directed the Company to provide a report containing the following information ("Reporting Requirements") in its PIPP updates:

(i) the number of PIPP participants enrolled in the program (broken down by primary heating source); (ii) total bill credits applied; (iii) average bill credits applied; (iv) Dominion's administrative costs, including a breakdown and description of major cost categories; (v) DSS's costs to administer the PIPP (as reported to the Company); (vi) the number of PIPP participants that took part in a utility-sponsored energy efficiency program; (vii) average energy savings for PIPP participants that participated in a utility-sponsored energy efficiency program (once evaluation, measurement and verification data is available); (viii) a list of federal, state, local or non-profit energy efficiency and weatherization programs available to PIPP participants (to the extent known to the Company); (ix) aggregate energy usage of PIPP participants before and after enrollment; and (x) PIPP participants' arrearage balances, on average and/or in the aggregate.

Ordering Paragraph (8) and pages 7-8 of the July 2021 Order¹⁰ further directed the Company to provide responses to at least the following filing requirements ("Filing Requirements") in its PIPP updates:

(1) the amount the Company proposes to collect from customers (e.g., the full statutory cap of \$100 million, or a different amount due to expected changes in PIPP participation, utility costs or other factors); (2) when the Company proposes to start the increased collections (the proposed PIPP rate year); (3) as recommended by the Hearing Examiner, how the Company interprets its statutory cap (i.e., whether the Company interprets the cap as the amount recovered through the PIPP fee in a given rate year, or the amount spent or committed through implementation of the PIPP program in a given rate year). The Company should state how it is tracking this fee and whether the Company is coordinating with DSS in its tracking of PIPP enrollments and expenditures to ensure program costs stay within the statutory cap; and (4) whether any true-up is needed regarding start-up costs/costs collected to date, and any information needed for the Commission to assess the requested true-up.

The Company began charging customers the approved USF of 0.0027 cents per kWh, or \$0.000027, on and after September 1, 2021.

⁸ July 2021 Order at 7. The July 2021 Order mandated that the Company's PIPP fee shall be effective for service rendered on and after September 1, 2021, and shall remain in place until further order of the Commission.

⁹ July 2021 Order at Ordering Paragraphs (6) and (7).

¹⁰ July 2021 Order at 7-8 and Ordering Paragraph (8).

The DSS rules or guidelines were promulgated on June 26, 2023, and are available at: https://www.dss.virginia.gov/files/division/bp/ea/intro_page/manual/PIPP_Guidelines.pdf.

The Company and DSS are working towards a launch of the PIPP application process in November 2023, with the program being active and payments beginning December 1, 2023. Thus, the Company is making this filing ("2023 PIPP Filing Update") requesting to implement the proposed update to the USF prior to the program start date.

II. Reporting Requirements

Dominion Energy Virginia responds as follows to the directives outlined by the Commission in Ordering Paragraphs (6) and (7) of the July 2021 Order related to certain Reporting Requirements, to the extent the information is available at the time of the filing.¹¹ The Company will continue to file these Reporting Requirements with future PIPP Update filings until further order of the Commission.¹²

A. The number of PIPP participants enrolled in the program (broken down by primary heating source).

The DSS estimates that there will be approximately 45,000 PIPP participants in the Company's service territory enrolled in the first year of the PIPP's launch based on the Federal Fiscal Year ("FFY") 2022 Low Income Home Energy Assistance Program ("LIHEAP") participation.

Since PIPP has not yet launched, the Company estimated PIPP participant heating sources by reviewing historic load profile information of LIHEAP customers. Please see **Table 1**, *infra*, providing the requested information based on this estimate.

Table 1: Estimated PIPP Participant Primary Heating Source Breakdown	
Primary Heating Source Type	Number of PIPP Participants
Electric	24,000 participants
Natural Gas, No Heating, or Other	21,000 participants
Total	45,000 participants

¹¹ July 2021 Order at Ordering Paragraphs (6) and (7) ("Dominion's reports shall exclude customer identifying information.").

¹² July 2021 Order at Ordering Paragraphs (6) and (7).

B. The total bill credits applied.

Not applicable. As PIPP has not yet launched, no bill credits have yet been applied. However, for purposes of calculating the updated USF, the Company estimated that approximately \$68.160 million of bill credits would be provided to PIPP customers in its first year of operation.

C. The average bill credits applied.

Not applicable. As PIPP has not yet launched, no bill credits have yet been applied. However, using the DSS's estimate of approximately 45,000 PIPP participants in the Program's first year of deployment and the estimated total bill credits of \$68.160 million, the average bill credits estimated per participant is approximately \$1,515 per year or \$126 per month. This monthly credit amount represents both the credit towards the current month's electric bill, as well as 1/12 of a PIPP customer's arrears balance.

D. The Company's administrative costs, including a breakdown and description of major cost categories.

Dominion Energy Virginia estimates that its total, annual administrative costs for PIPP are \$2,115,001. This total includes: (1) amortization of customer information systems ("CIS") programming costs; (2) actual operations and maintenance ("O&M") costs for the period of January 1, 2022 through June 30, 2023; (3) projected O&M costs for July 1, 2023 through October 31, 2023; (4) projected O&M costs for the rate year of November 1, 2023 through October 31, 2024 ("Rate Year"); and (5) financing costs¹³ associated with the rate base and deferred O&M costs. Please see **Table 2** for details.

¹³ The financing costs are based solely on the cost of debt and, per Va. Code § 56-585.6 B, such costs do not include an equity component.

Table 2: Dominion Energy Virginia Annual Administrative Costs		
Major Cost Categories	Cost Breakdown	Description of Categories
Incremental CIS Programming Costs	\$214,683 ¹⁴	This cost reflects the annual amortization of CIS Programming costs. The total capitalized cost is \$3,513,000, which will be amortized over 15 years.
Actual O&M	\$206,552	This cost includes the actual labor expenses incurred through June 30, 2023.
Estimated O&M Costs for July 1, 2023 through October 31, 2023	\$35,000	This cost includes the estimated expenses for July 1, 2023 through October 31, 2023, for Dominion Energy Virginia labor.
Estimated O&M Costs For Rate Year	\$1,398,595	This cost includes the estimated expenses over the November 1, 2023 through October 31, 2024 Rate Year for Dominion Energy Virginia labor and materials.
Financing Costs	\$260,171	This cost includes financing costs (only inclusive of cost of debt) associated with the rate base and deferred O&M costs.
Total Administrative Costs:		\$2,115,001

Dominion Energy Virginia anticipates that the Company will amortize the total cost of CIS programming over a 15-year period. Further, the Company will defer additional programming costs accrued during the first full year of the PIPP Program's implementation until its next PIPP Filing Update in 2024.

E. The Department of Social Services' costs to administer the PIPP (as reported to the Company).

The DSS continues to request administrative costs totaling \$3,000,000 per year for its own administrative costs, of which the Company is assuming its share to be 80% or \$2.4 million.

¹⁴ The \$3,513,000 CIS Programming cost provided in **Table 2** are total costs incurred as of June 30, 2023. The Company anticipates incurring additional costs, which will be reflected in future Rider PIPP filings.

F. The number of PIPP participants that took part in a utility-sponsored energy efficiency program.

Not applicable. As PIPP has not yet launched, there are no current PIPP participants. Once PIPP is launched, the Company will work with its evaluation, measurement, and verification ("EM&V") vendor for its energy efficiency program to track PIPP customer participation in the Company's programs.

G. The average energy savings for PIPP participants that participated in a utility-sponsored energy efficiency program (once evaluation, measurement and verification data is available).

Not applicable. As PIPP has not yet launched, the EM&V data to track the average energy savings for PIPP participants that participated in any of the Company's energy efficiency programs is not available at this time. To provide this information, Dominion Energy Virginia would have to track savings for a period of time — likely a year after the Company completes the necessary improvements and/or installs of the energy efficiency measures for the specific energy efficiency programs. Further, in order to accurately determine savings, it is likely that Dominion Energy Virginia would need 12 months of usage history to establish a baseline measurement while also weather-normalizing data for extremes. The Company already tracks EM&V information for its low-income programs and will also commit to tracking such savings for PIPP participants enrolled in its energy efficiency programs once the necessary EM&V data becomes available.

H. A list of federal, state, local or non-profit energy efficiency and weatherization programs available to PIPP participants (to the extent known to the Company).

Dominion Energy Virginia is aware of two state/federally funded programs that may be available to PIPP participants: (1) the U.S. Department of Energy ("DOE") Weatherization Assistance Program ("WAP"); and (2) the LIHEAP. Virginia Energy Sense, which operates under the guidance of the Commission, also provides a list of possible incentives and rebates for which PIPP participants may qualify:

<https://www.virginiaenergysense.org/incentives-and-rebates/>

I. The aggregate energy usage of PIPP participants before and after enrollment.

Not applicable. The data necessary to provide this information would not be available to the Company until after the first full year of the PIPP Program's implementation. Further, please see the Company's response to Subsection G, detailed above.

J. The PIPP participants' arrearage balances, on average and/or in the aggregate.

Not applicable. As PIPP has not yet launched, the requested information is not yet available at this time.

III. Proposed Filing Requirement Updates

Dominion Energy Virginia responds as follows to the directives set forth in Ordering Paragraph (8) and pages 7-8 of its July 2021 Order regarding Filing Requirements needed to review the Company's PIPP updates and adjust rates accordingly.¹⁵

A. The amount the Company proposes to collect from customers (e.g., the full statutory cap of \$100 million, or a different amount due to expected changes in PIPP participation, utility costs or other factors).

Dominion Energy Virginia proposes to collect \$72,674,635 (System) from its customers in the Commonwealth to fund the PIPP. The Virginia Jurisdictional amount to fund the PIPP is \$64,345,594. Please see Attachment 1 for a breakdown of the estimated PIPP costs on a revenue requirement basis.

The current PIPP USF is \$0.000027 per kWh. The Company requests in this filing that the Commission approve an updated USF of \$0.000761 per kWh. Please see Attachment 2 for the calculation of the updated USF. The Company notes that, for a typical residential customer using 1,000 kWh per month, this would result in an increase of approximately \$0.73 per month.

The updated tariff sheet reflecting the requested USF and terms and conditions associated with the proposed rate is provided as Attachment 3.

With this filing and to assist with the convenience and ease of Commission Staff's review, Dominion Energy Virginia contemporaneously provided Commission Staff with access to a designated electronic platform (*i.e.*, eRoom) for this 2023 PIPP Update Filing in order for Commission Staff to review workpapers supporting the revenue requirement and USF calculations.

B. When the Company proposes to start the increased collections (the proposed PIPP rate year).

Dominion Energy Virginia's proposed Rate Year is November 1, 2023 through October 31, 2024. With PIPP's start planned for December 2023, the Company proposes a rate effective date of the updated USF of November 1, 2023, so that funding within the PIPP Treasury Fund is immediately available for program activities upon launch. Accordingly, the Company respectfully requests expedited consideration of its 2023 PIPP Update Filing, including issuance of a final order in this proceeding by no later than October 15, 2023.

¹⁵ July 2021 Order at 7-8 and Ordering Paragraph (8).

C. How the Company interprets its statutory cap (i.e., whether the Company interprets the cap as the amount recovered through the PIPP fee in a given rate year, or the amount spent or committed through implementation of the PIPP program in a given rate year). The Company should state how it is tracking this fee and whether the Company is coordinating with the Department of Social Services in its tracking of PIPP enrollments and expenditures to ensure program costs stay within the statutory cap.

The Company interprets the statutory cap as the maximum amount that can be billed to the PIPP Treasury Fund in a given year.

To track the amount of funds the Company collects from its customers to send to the PIPP Treasury Fund on a monthly basis, each month, Dominion Energy Virginia is required to wire billed PIPP USF amounts to the State Treasury. The Company wires the funds by the 15th of each month.

With respect to tracking reimbursements, the Company will send the DSS a Monthly PIPP Recovery Invoice, which provides the DSS a breakdown of, for example, the following categories:

- bill subsidies from the previous month;
- the Company's actual administrative O&M costs from the previous month;
- 1/12th of CIS Programming amortization;¹⁶ and
- 1/12th actual, deferred O&M costs.

Said another way, each month, the Company intends to submit its monthly costs to the state treasury for reimbursement of such costs from the PIPP Fund.

With respect to PIPP enrollments, Dominion Energy Virginia coordinates monthly reporting with DSS to track PIPP activities, which in the future will include the number of PIPP enrollments/unenrollments.

Tracking total PIPP expenditures will be the responsibility of DSS, though the Company will be involved in the process via the monthly reporting coordination noted above.

D. Whether any true-up is needed regarding start-up costs/costs collected to date, and any information needed for the Commission to assess the requested true-up.

Dominion Energy Virginia is not requesting a true-up of the DSS start-up costs collected to date through the USF as part of this 2023 PIPP Update. A true-up may be included in future updates to the USF as PIPP is deployed and actual program expenditures are known.

¹⁶ The first year will only include 11 months of CIS Programming amortization recovery with each year after including 12 months.

IV. Conclusion

Dominion Energy Virginia provides this 2023 PIPP Update pursuant to the Commission's directives as set forth in the July 2021 Order. The Company is committed to being an active partner in the PIPP under the direction of the Commission, the implementing state agencies, and the General Assembly. Given that the PIPP is only at the threshold of implementation, Dominion Energy Virginia submits this PIPP Update based on the limited data currently available at this time. As additional information becomes available, the Company expects to request further updates to the USF funding the PIPP as needed.

WHEREFORE, for the foregoing reasons, Dominion Energy Virginia respectfully requests that: the Commission: (i) approve the Company's 2023 PIPP Update, (ii) give expedited consideration to such update by issuing a final order no later than October 15, 2023, and (iii) grant any further or other relief as is necessary or appropriate.

Respectfully submitted,

VIRGINIA ELECTRIC AND POWER COMPANY

By: /s/ Paul E. Pfeffer
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Counsel for Virginia Electric and Power Company

July 11, 2023

Attachment 1
Proposed Revenue Requirement

Virginia Electric and Power Company
PIPP Revenue Requirement
For the Rate Year November 1, 2023 to October 31, 2024

<u>Line No.</u>			
1	Customer Bill Subsidies		68,159,635
2	State Agency Administrative Cost		2,400,000
3	DEV Administrative Costs		<u>2,115,001</u>
4	Total System Revenue Requirement	\$	72,674,635
5	Allocation to VA Jurisdiction		<u>88.5393%</u>
6	Total Revenue Requirement (Va. Jurisdiction)	\$	64,345,594

Virginia Electric and Power Company
PIPP Revenue Requirement
For the Rate Year November 1, 2023 to October 31, 2024

Line
No.

1	Rate Base	\$ 2,687,670
2	Cost of Debt	<u>4.119%</u>
3	Revenue Requirement - Financing Costs	<u>110,694</u>
	<u>Operating Expenses</u>	
4	Customer Bill Subsidies	68,159,635
5	State Agency Administrative Cost	2,400,000
6	PIPP Projected O&M Costs	1,398,595
7	Amortization of CIS Programming Costs/Deferred O&M Costs	<u>605,711</u>
8	Revenue Requirement - Operating Expenses	72,563,941
9	Total Revenue Requirement	<u><u>\$ 72,674,635</u></u>

Virginia Electric and Power Company
PIPP Rate Base
For The Period October 2023 to October 2024

Line No.		October-23	November-23	December-23	January-24	February-24	March-24	April-24	May-24	June-24	July-24	August-24	September-24	October-24
1	Unamortized Balance of CIS Programming Costs (net of ADIT)	\$ 2,615,866	\$ 2,615,866	\$ 2,601,334	\$ 2,586,801	\$ 2,572,269	\$ 2,557,736	\$ 2,543,203	\$ 2,528,671	\$ 2,514,138	\$ 2,499,606	\$ 2,485,073	\$ 2,470,540	\$ 2,456,008
2	Unamortized Balance of Deferred Costs (net of ADIT)	\$ 291,169	\$ 286,905	\$ 242,641	\$ 218,377	\$ 194,113	\$ 169,849	\$ 145,585	\$ 121,320	\$ 97,056	\$ 72,792	\$ 48,528	\$ 24,264	\$ 0
3	Total Rate Base (System)	\$ 2,907,035	\$ 2,882,771	\$ 2,843,975	\$ 2,805,178	\$ 2,766,381	\$ 2,727,585	\$ 2,688,788	\$ 2,649,991	\$ 2,611,195	\$ 2,572,398	\$ 2,533,601	\$ 2,494,805	\$ 2,456,008
4	13-Month Average													\$ 2,687,670

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Virginia Electric and Power Company
PIPP Amortization

For the Rate Year November 1, 2023 to October 31, 2024

Line No.		<u>Nov-23</u>	<u>Dec-23</u>	<u>Jan-24</u>	<u>Feb-24</u>	<u>Mar-24</u>	<u>Apr-24</u>	<u>May-24</u>	<u>Jun-24</u>	<u>Jul-24</u>	<u>Aug-24</u>	<u>Sep-24</u>	<u>Oct-24</u>	System <u>Total</u>
1	CIS Programming Costs Amortization (System)	-	19,517	19,517	19,517	19,517	19,517	19,517	19,517	19,517	19,517	19,517	19,517	214,683
2	Deferred Cost Amortization (System)	32,586	32,586	32,586	32,586	32,586	32,586	32,586	32,586	32,586	32,586	32,586	32,586	391,028
3	Total Rate Year Amortization													\$ 605,711

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Virginia Electric and Power Company
PIPP Deferred Costs
For The Period January 2022 to October 2023

Line No.		Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
1	O&M Expenses	6,783	7,987	4,345	1,510	14,822	10,248	8,111	19,144	10,248	14,948	15,755	11,523
2	Total O&M (System)	6,783	7,987	4,345	1,510	14,822	10,248	8,111	19,144	10,248	14,948	15,755	11,523
3	Regulatory Asset Balance	6,783	14,770	19,115	20,625	35,447	45,695	53,806	72,950	83,198	98,146	113,901	125,424
4	Regulatory Asset Balance (Net of ADIT)	5,051	10,998	14,233	15,358	26,395	34,026	40,065	54,321	61,951	73,082	84,813	93,394
5	Average Regulatory Asset Balance (Net of ADIT)	2,525	8,024	12,616	14,796	20,876	30,210	37,045	47,193	58,136	67,516	78,948	89,104
6	Deferred Rate Base	-	-	-	488,000	488,000	488,000	488,000	1,488,000	1,488,000	1,488,000	2,488,000	2,488,000
7	Average Deferred Rate Base	-	-	-	244,000	488,000	488,000	488,000	988,000	1,488,000	1,488,000	1,988,000	2,488,000
8	Cost of Debt	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%
9	Financing Costs on Deferred O&M Costs	9	28	43	51	72	104	127	162	200	232	271	306
10	Financing Costs on Deferred Rate Base	-	-	-	837	1,675	1,675	1,675	3,391	5,107	5,107	6,823	8,539
11	Total Deferred Costs Including Financing Costs	6,792	8,014	4,388	2,398	16,569	12,026	9,913	22,697	15,554	20,287	22,849	20,369

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Virginia Electric and Power Company
PIPP Deferred Costs
For The Period January 2022 to October 2023

Line No.		Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23
1	O&M Expenses	10,985	12,416	14,674	10,281	13,796	18,975	8,750	8,750	8,750	8,750
2	Total O&M (System)	10,985	12,416	14,674	10,281	13,796	18,975	8,750	8,750	8,750	8,750
3	Regulatory Asset Balance	136,409	148,825	163,499	173,780	187,576	206,552	215,302	224,052	232,802	241,552
4	Regulatory Asset Balance (Net of ADIT)	101,574	110,819	121,745	129,401	139,674	153,804	160,319	166,834	173,350	179,865
5	Average Regulatory Asset Balance (Net of ADIT)	97,484	106,196	116,282	125,573	134,538	146,739	157,061	163,577	170,092	176,608
6	Deferred Rate Base	2,488,000	2,488,000	2,488,000	3,513,000	3,513,000	3,513,000	3,513,000	3,513,000	3,513,000	3,513,000
7	Average Deferred Rate Base	2,488,000	2,488,000	2,488,000	3,000,500	3,513,000	3,513,000	3,513,000	3,513,000	3,513,000	3,513,000
8	Cost of Debt	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%
9	Financing Costs on Deferred O&M Costs	335	364	399	431	462	504	539	561	584	606
10	Financing Costs on Deferred Rate Base	8,539	8,539	8,539	10,298	12,057	12,057	12,057	12,057	12,057	12,057
11	Total Deferred Costs Including Financing Costs	19,859	21,319	23,612	21,011	26,315	31,536	21,346	21,369	21,391	21,413
	Total										391,028

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Virginia Electric and Power Company
PVP Deferred Rate Base
For The Period December 2021 to October 2023

Line No.	December-21	January-22	February-22	March-22	April-22	May-22	June-22	July-22	August-22	September-22	October-22	November-22	December-22
1 CIS Programming Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 488,000	\$ 488,000	\$ 488,000	\$ 488,000	\$ 1,488,000	\$ 1,488,000	\$ 2,488,000	\$ 2,488,000
2 Total Rate Base (System)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 488,000	\$ 488,000	\$ 488,000	\$ 488,000	\$ 1,488,000	\$ 1,488,000	\$ 2,488,000	\$ 2,488,000
3 CIS Programming Costs	\$ 2,488,000	\$ 2,488,000	\$ 2,488,000	\$ 2,488,000	\$ 3,513,000	\$ 3,513,000	\$ 3,513,000	\$ 3,513,000	\$ 3,513,000	\$ 3,513,000	\$ 3,513,000	\$ 3,513,000	\$ 3,513,000
4 Total Rate Base (System)	\$ 2,488,000	\$ 2,488,000	\$ 2,488,000	\$ 2,488,000	\$ 3,513,000	\$ 3,513,000	\$ 3,513,000	\$ 3,513,000	\$ 3,513,000	\$ 3,513,000	\$ 3,513,000	\$ 3,513,000	\$ 3,513,000

VIRGINIA ELECTRIC AND POWER COMPANY
Actual Cost of Capital and Capital Structure
As of December 31, 2022

Line No.	Description	Amount	Percent	Annual Cost	Embedded Cost	Weighted Cost
1	Total long-term debt	\$ 15,487,755,032	45.109%	\$ 638,645,388	4.124%	1.860%
2	Short-term debt	<u>1,279,561,972</u>	<u>3.727%</u>	<u>51,932,425</u>	<u>4.059%</u>	<u>0.151%</u>
3	Total debt	16,767,317,003	48.835%	690,577,812	4.119%	2.011%
4	Total preferred stock	-	0.000%	-	0.000%	0.000%
5	Common stock	5,737,401,834	16.710%		9.350%	1.562%
6	Other paid-in capital	1,112,875,312	3.241%		9.350%	0.303%
7	Retained earnings	10,385,609,059	30.248%		9.350%	2.828%
8	AOCI	8,888,767	0.026%		9.350%	0.002%
8	Adjustments	<u>36,637,066</u>	<u>0.107%</u>		<u>9.350%</u>	<u>0.010%</u>
9	Total common equity	17,281,412,037	50.333%		9.350%	4.706%
Job development tax credits						
10	Allocation: debt	135,012,993	0.393%		4.124%	0.016%
11	Allocation: preferred stock	-	0.000%		0.000%	0.000%
12	Allocation: equity	<u>150,649,023</u>	<u>0.439%</u>		<u>9.350%</u>	<u>0.041%</u>
13	Total Job development tax credits	285,662,017	0.832%		6.880%	0.057%
14	Total Capital	\$ <u>34,334,391,057</u>	<u>100.000%</u>			<u>6.775%</u>

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Attachment 2

Proposed Service Fee Update

Virginia Electric and Power Company
2023 Percentage of Income Payment Program (Rider PIPP) Universal Service Fee
For Rate Year November 1, 2023 through October 31, 2024
(Rate in Dollars per Kilowatt-hour)

Estimate of Percentage of Income Payment Plan Cost (System Level) \$72,674,635

Allocation to Virginia Jurisdiction
Based Upon Energy Forecast for November 1, 2023 - October 31, 2024

88.5393% (1)

Virginia Jurisdictional Estimate of PIPP Cost

\$64,345,594

Virginia Jurisdiction Universal Service Fee \$/kWh

\$0.000761 per kWh

Notes

(1) Forecasted kWh Sales for November 1, 2023 - October 31, 2024

	Forecast kWh	% of Total
Virginia Jurisdiction (2)	84,595,537,707	88.5393%
Virginia Non-jurisdiction	10,950,240,606	11.4607%
Total	95,545,778,313	100.0000%

Excludes forecasted kWh sales for the FERC jurisdiction (wholesale customers) and the North Carolina jurisdiction

(2) Virginia Jurisdiction includes retail choice kWh

Virginia Electric and Power Company
2023 Percentage of Income Payment Program (Rider PIPP) Universal Service Fee
For Rate Year November 1, 2023 through October 31, 2024
(Rate in Dollars per Kilowatt-hour)

Virginia Jurisdiction Universal Service Fee \$/kWh	\$0.000761
Proposed: Typical Residential Customer Bill Impact (1,000 kWh)	\$0.76
Current: Typical Residential Customer Bill Impact (1,000 kWh)	\$0.03
Increase (Decrease) to: Typical Residential Customer Bill (1,000 kWh)	\$0.73

Attachment 3

Proposed Rider PIPP Tariff

RIDER PIPPUNIVERSAL SERVICE FEE

In accordance with the Code of Virginia § 56-585.6, a non-bypassable Percentage of Income Payment Program (PIPP) universal service fee represented as Rider PIPP, will be applied to all kilowatt-hours consumed under the following Virginia Electric and Power Company's Filed Rate Schedules. The charge for service under Virginia Electric and Power Company's Filed Rate Schedules 1, 1G, 1P, 1S, 1T, 1W, DP-R, 1EV, EV, 5, 5C, 5P, 6, GS-1, DP-1, GS-2, DP-2, GS-2T, GS-3, GS-4, MBR, SCR, 6TS, 7, 8, 10, 24, 25, 27, 28, 29, as well as any special rates, contracts or incentives, approved by the State Corporation Commission pursuant to Virginia Code § 56-235.2 shall be increased by 0.0761 cents per kilowatt-hour.

Customers who elect to purchase Electricity Supply Service from a Competitive Service Provider are not exempt from Rider PIPP.

CERTIFICATE OF SERVICE

I hereby certify that in Case No. PUR-2023-00105 copies of the foregoing were served via electronic delivery on July 11, 2023, to the following:

William H. Chambliss, Esq.
Office of the General Counsel
State Corporation Commission
1300 East Main Street, 10th Floor
Richmond, VA 23219

/s/ Paul E. Pfeffer

Counsel